

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY**  
**Anthem-Wellpoint Grant Program – Issues of Policy Update**  
**April 28, 2005**

Since our last Board meeting, the Authority distributed the proposed draft regulations to a selected group of interested parties for their input and reaction to the proposal. Uniformly all agreed (the proposed recipients of the grants, community clinics; the Insurance Commissioner's office, and the givers of the grant money) that their preference was to have the Wellpoint money distributed as closely to the criteria setup for Cedillo-Alarcon as possible. In other words, that the money be made available to community clinics for both capital projects and equipment purchases.

In addition, the Authority's legal counsel has advised us that the statute (Government Code Section 15438.7), which provides that CHFFA can establish a grant program, would not, as a matter of law, limit the participants to community health clinics. In addition, CHFFA's authority to approve grants under the Cedillo-Alarcon Community Clinic Investment Act of 2000 (Government Code Section 15438.6) ended with its disbursement of the initial (only) \$50 million appropriation.

In an attempt to meet the expectations and desires of the public and in an effort to correct this unintended impact, Staff proposes to simultaneously seek the following remedies:

- 1) Draft Cedillo-Alarcon – like regulations that include specific findings as to why the grant program is limited to community clinics; and
  
- 2) Through legislation seek to have Government Code Section 15438.6 (j) of the Cedillo-Alarcon Community Clinic Investment Act repealed, thereby allowing CHFFA to again issue grants pursuant to that statute.